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## Russian Federation

**Post:** Moscow

## Fish Price Survey

### Report Categories:

Fishery Products

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### Report Highlights:

In April 2009, OAA Moscow conducted a price survey of fish and fish products in Southern Moscow retail outlets and open markets. The survey indicated that average retail prices for fish and fish products increased significantly from 10 to 20 percent depending on species since January 2009. As a result of the impact of the world economic crisis, Russian consumers are buying cheaper, domestically produced foodstuffs since devaluation of the ruble has made most imported products out of reach for average Russians.

### General Information:

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## **Price Survey**

In April 2009, OAA Moscow conducted a price survey of fish and fish products in Southern Moscow retail outlets and open markets. Post observed a wide variety of traditional fish products - herring, mackerel, and salmon – as well as exotic products, including squid, mussels, prawns, snails, scallop and oysters. It was also noted that the choice of ground fish frozen fillet, produced both locally and imported, is widening. The survey indicated that average retail prices for fish and fish products increased significantly from 10 to 20 percent depending on species since January 2009.

Prices also differ significantly between retail outlets and open markets. Average fish prices in supermarkets such as “Pyaterochka” and “Sedmoy Continent,” tend to be 10 to 30 percent higher than that in the open markets. Chilled salmon from Norway is easily available for \$13 to \$15 per kilo, depending on the cut, at the open market. At the Pyaterochka supermarket, the same product cost \$2-\$3 more. The price for imported Norwegian syomga increased by 20 percent since December 2008. The price for frozen ground fish fillet, such as Pollock, cod and hake, varies by \$3-\$5 between regular convenience stores and supermarkets and open market. The spread of prices between frozen ground fish fillet domestically produced and imported is around \$5. Since the beginning of 2009 the price of imported ground fish is higher by 8-10 percent, while the price for domestically produced fish increased between 3-6 percent.

Prices for frozen Pollock and cod fillet from Iceland, Denmark and Norway, are sold at 150-220 rubles per kilo in the open market, while the price for the same product at the regular convenience stores is up to 220-300 Rubles. The price for herring produced domestically and imported from Norway is nearly the same, 85 - 95 rubles per kilo.

Fish wholesale and retail cold storage “Ochakovo” in the west of Moscow offered a great variety of both traditional fish as well as exotic seafood, mostly imported from Denmark, Argentina, Norway and Iceland. The difference between retail and wholesale prices per kilo at the cold facility varied from 5 to 7 percent depending on the fish species. The price per kilo for traditional salmon, syomga and trout, imported from Norway, was \$8 dollars per kilo.

Both cold storage and open markets offer non-eviscerated headed Pollock, mackerel and herring, with no packaging, for the price between rubles 80-120.

## **Government Programs**

The Federal Fishery Agency (Rosrybolovstvo) is working on a new initiative to set up fish chains called “Okean”, similar to the ones that operated during the Soviet times. The primary objective of the initiative is to reduce the influence of middlemen and their mark up. Another objective is to increase the sales of domestically caught fish.

The price of fish distributed at Okean is expected to be between 15 to 40 percent lower than in other trade chains. Rosrybolovstvo suggests establishing a joint stock company with state participation that will handle transportation from producer to consumer.

According to Rosrybolovstvo during the first quarter of 2009 imports of fish and seafood dropped by 20 percent as a result of ruble devaluation (nearly 24 percent).

According to the President of All-Russian Association of Fish Processing Facilities, Yuriy Kokorev, annual income from catching, production and sales to wholesale companies is estimated at rubles 120 billion while according to Rosstat, retail turnover for fish and seafood is estimated at rubles 500 billion (\$14.7 million).

As a result of economic crisis Russian consumers are buying cheaper, domestically produced foodstuffs since devaluation of the ruble has made most imported products out of reach for average Russians.

Despite government support and control over price regulation, the margin of retail operators for fish products continues to be very high and currently is estimated at 190 percent.

### **Consumption of fish and seafood in Moscow**

The average per capita fish and seafood consumption in Russia is estimated at 13.9 kg. The lowest consumption pattern for fish and products is in Volga Federal district, where annual per capita consumption is as low as 10.5 kg. The highest rate of consumption is in the Far Eastern Region with 23.8 kg per capita. Moscow consumption annual per capita indicator is accounted for 21.1 kg.

Moscow's population and visitors consume about 32,000 MT of food products daily, or about 11.7 million MT annually. The largest share of consumer structure falls on meat and horticultural products – about 10 percent and 4 percent respectively. The share of fish and seafood is the seventh larger in the consumption structure, or stands for 2 percent. In 2008, total domestic consumption of fish and seafood in Russia totaled 2 million MT, where Moscow region share was accounted for 10 percent or 220,000 MT.

According to research by Symbol Communication Group, cod fish constitutes the largest share of catch in Russia– 54 percent, salmon and herring takes about 10.2 percent each. Cod fish is the easiest to catch and is one the cheapest fish species. Its average price for 1 kilo in Moscow is 90 rubles, which is 100 percent higher than the price offer from producers in the Far East. According to survey, situation with prices for other species is even worse. Average price for 1 MT of fish from the producer is fixed at Ru 27,500. However, in retail the product can be purchased average at no less than Ru 79,700 per MT.

Since November 2008, local traders have observed a shift in consumption pattern from value added fish and fish products in the higher price segment to fish in lower price segments, specifically in the regions. Most companies have attributed this change to the economic slowdown and decreasing purchasing power of middle class. Food makes up over 40 percent of Russia's consumer price index basket, making it highly sensitive to food price fluctuations. According to investment-analytical group, fish and seafood occupies 4 percent share in the price of the index basket, while meat takes 20 percent.